

CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number _____

Meeting Type: Regular

Meeting Date: 8/9/2012

Action Requested By:
Legal

Agenda Item Type
Resolution

Subject Matter:

Invoking letter of credit.

Exact Wording for the Agenda:

Resolution authorizing the Clerk-Treasurer to Invoke ServisFirst Bank Letter of Credit No. 12020 for Valleybrook Subdivision.

Note: If amendment, please state title and number of the original

Item to be considered for: Action

Unanimous Consent Required: No

Briefly state why the action is required; why it is recommended; what Council action will provide, allow and accomplish and; any other information that might be helpful.

Associated Cost:

Budgeted Item: Not applicable

MAYOR RECOMMENDS OR CONCURS: Yes

Department Head: 

Date: 8-6-12

RESOLUTION NO. 12-_____

WHEREAS, ServisFirst Bank issued a certain letter of credit (No. 12020), a copy of which is attached hereto and incorporated herein by reference, including any amendments thereto, in favor of the City of Huntsville, Alabama pursuant to Article 5 of the Subdivision Regulations for the City of Huntsville, Alabama; and

WHEREAS, the letter of credit is due to be invoked and the proceeds used in accordance with said subdivision regulations.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Huntsville, Alabama, that the City of Huntsville Clerk-Treasurer be and is hereby authorized to present for payment to ServisFirst Bank Letter of Credit No. 12020, prior to the expiration date thereof, with the language as specified in said Letter of Credit.

ADOPTED this the 8th day of August, 2012.

President of the City Council
of the City of Huntsville,
Alabama

APPROVED this the 8th day of August, 2012.

Mayor of the City of
Huntsville, Alabama

SERVISFIRST BANK
Post Office Box 18127
Huntsville, AL 35804
T 256.722.7800 F 256.722.7810
servisfirstbank.com

5/12
left

AMENDMENT TO IRREVOCABLE LETTER OF CREDIT NUMBER 12020

DATE: August 16, 2011

Beneficiary:

City of Huntsville
P.O. Box 308
Huntsville, AL 35804



Account Party:

Concord Development Company, Inc.
1806 University Drive
Huntsville, AL 35801

Subject: Article 5 Sidewalk, Letter of Credit for
Valleybrook Subdivision

Amount: \$100,820.00 (Decreased from \$110,820.00)

Issue Date: August 16, 2011

Expiration Date: August 16, 2012

Place of Expiration: At ServisFirst Bank, 401 Meridian Street, Suite 100 Huntsville, AL 35801

Gentlemen:

We hereby amend our Irrevocable Standby Letter of Credit in your favor, effective August 16, 2011, for a sum not to exceed the aggregate of US\$100,820.00 (One Hundred Thousand Eight Hundred Twenty Dollars and No/100---). Available by your one or more drafts drawn at sight on us, stating "Drawn under ServisFirst Bank Letter of Credit Number 12020."

All draft(s) drawn under and in compliance with the terms of this Credit prior to the expiration thereof will be duly honored if drawn and presented for payment to ServisFirst Bank, 401 Meridian Street, Suite 100 Huntsville, AL 35801.

Each draft must be accompanied by a statement purportedly signed by a representative of the City of Huntsville, Alabama, stating that:

✓ "The draw is being made pursuant to Article 5 of the Subdivision Regulations."

✓ The original of this Letter of Credit and any amendments must be presented with any drawing.

D/S 10-25-11

OK
CEK

10/31/11

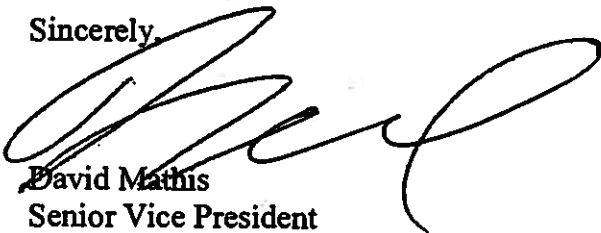
M. 10-25-11

Page 2 of 2 – Letter of Credit # 12020

We hereby engage with you that all drafts drawn under and in compliance with the terms of this credit will be duly honored upon presentation and delivery of the documents as specified if drawn and presented for payment to ServisFirst Bank on or before the expiry date.

This Letter of Credit is issued subject to Uniform Customs and Practice for Documentary Credit, ICC Publication No. 600 and shall be governed by the laws of the State of Alabama, including but not limited to, the Alabama Uniform Commercial Code, as the same may be from time to time amended, which shall prevail in the event of a conflict.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read 'D. Mathis', is written over the printed name and title.

David Mathis
Senior Vice President

SERVISFIRST BANK
Post Office Box 18127
Huntsville, AL 35804
T 256.722.7800 F 256.722.7810
servisfirstbank.com

Valley Brook Bank
Sidewalks

9/27/10

IRREVOCABLE LETTER OF CREDIT NUMBER 12020

DATE: September 24, 2010

Beneficiary:

City of Huntsville
P.O. Box 308
Huntsville, AL 35804



Servis 1st Bank

Account Party:

Concord Development Company, Inc.
1806 University Drive
Huntsville, AL 35801

Subject: Article 5 Sidewalk, Letter of Credit for
Valleybrook Subdivision

Amount: \$110,820.00

Issue Date: September 24, 2010

Expiration Date: September 24, 2011

Place of Expiration: At ServisFirst Bank, 401 Meridian Street, Suite 100 Huntsville, AL 35801

Gentlemen:

We hereby open our Irrevocable Standby Letter of Credit in your favor, effective September 24, 2010, for a sum not to exceed the aggregate of US\$110,820.00 (One Hundred Ten Thousand Eight Hundred Twenty Dollars and No/100----). Available by your one or more drafts drawn at sight on us, stating "Drawn under ServisFirst Bank Letter of Credit Number 12020."

All draft(s) drawn under and in compliance with the terms of this Credit prior to the expiration thereof will be duly honored if drawn and presented for payment to ServisFirst Bank, 401 Meridian Street, Suite 100 Huntsville, AL 35801.

Each draft must be accompanied by a statement purportedly signed by a representative of the City of Huntsville, Alabama, stating that:

"The draw is being made pursuant to Article 5 of the Subdivision Regulations."

The original of this Letter of Credit and any amendments must be presented with any drawing.

OK OLC 9/28/10

OK
CE/K

10/7/10

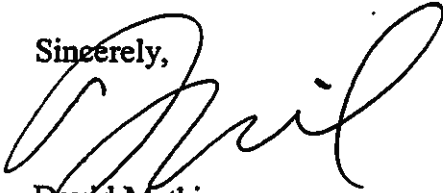
OK-TMR 10/11/10 AM KDA 10/12/10

Page 2 of 2 – Letter of Credit #

We hereby engage with you that all drafts drawn under and in compliance with the terms of this credit will be duly honored upon presentation and delivery of the documents as specified if drawn and presented for payment to ServisFirst Bank on or before the expiry date.

This Letter of Credit is issued subject to Uniform Customs and Practice for Documentary Credit, ICC Publication No. 600 and shall be governed by the laws of the State of Alabama, including but not limited to, the Alabama Uniform Commercial Code, as the same may be from time to time amended, which shall prevail in the event of a conflict.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read 'D. Mathis'.

David Mathis
Senior Vice President

OK OLC 9/28/10

SERVISFIRST BANK
Post Office Box 18127
Huntsville, AL 35804
T 256.722.7800 F 256.722.7810
servisfirstbank.com

S/W
ent

IRREVOCABLE LETTER OF CREDIT NUMBER 8781

DATE: November 13, 2008

Beneficiary:
City of Huntsville
P.O. Box 308
Huntsville, AL 35804



Account Party:
Concord Development Company, Inc.
1806 University Drive
Huntsville, AL 35801

Subject: Article 5 Sidewalk, Letter of Credit for
Valleybrook Subdivision

Amount: \$121,725.00

Issue Date: November 13, 2008

Expiration Date: November 13, 2010

Place of Expiration: At ServisFirst Bank, 401 Meridian Street, Suite 100 Huntsville, AL 35801

Gentlemen:

We hereby open our Irrevocable Standby Letter of Credit in your favor, effective November 13, 2008, for a sum not to exceed the aggregate of US\$121,725.00 (One Hundred Twenty-One Thousand Seven Hundred Twenty-Five Dollars and No/100----). Available by your one or more drafts drawn at sight on us, stating "Drawn under ServisFirst Bank Letter of Credit Number 8781."

All draft(s) drawn under and in compliance with the terms of this Credit prior to the expiration thereof will be duly honored if drawn and presented for payment to ServisFirst Bank, 401 Meridian Street, Suite 100 Huntsville, AL 35801.

Each draft must be accompanied by a statement purportedly signed by a representative of the City of Huntsville, Alabama, stating that:

The draw is being made pursuant to Article 5 of the Subdivision Regulations."

The original of this Letter of Credit and any amendments must be presented with any drawing.

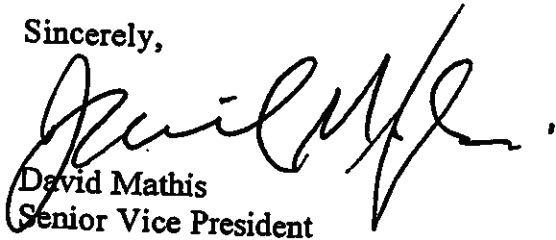
OK 11/16/08
CEIT 11/16/08

Page 2 of 2 – Letter of Credit #8781

We hereby engage with you that all drafts drawn under and in compliance with the terms of this credit will be duly honored upon presentation and delivery of the documents as specified if drawn and presented for payment to ServisFirst Bank on or before the expiry date.

This Letter of Credit is issued subject to Uniform Customs and Practice for Documentary Credit, ICC Publication No. 600 and shall be governed by the laws of the State of Alabama, including but not limited to, the Alabama Uniform Commercial Code, as the same may be from time to time amended, which shall prevail in the event of a conflict.

Sincerely,

A handwritten signature in dark ink, appearing to read "David Mathis", is written over the printed name and title.

David Mathis
Senior Vice President

61 11/15/08
at 11:10am